

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

In re:)	
)	
EAGLE PROPERTIES AND)	Bankruptcy Case
INVESTMENTS, LLC,)	No. 23-10566-KHK
)	Chapter 7
Debtor.)	
_____)	

**TRUSTEE'S FIRST APPLICATION FOR INTERIM
ALLOWANCE OF COMPENSATION**

H. Jason Gold, the Chapter 7 Trustee (“Trustee”), by counsel Nelson Mullins Riley & Scarborough LLP, hereby makes his first interim application (the “Application”), for allowance of compensation based on the statutory commission schedule set forth in 11 U.S.C. § 326, in the amount of \$117,845.01 for the period of April 6, 2023 through July 6, 2024 (the “Interim Period”), which includes compensation based upon actual distributions totaling \$3,032,047.55 and anticipated distributions totaling \$121,119.26.

I. Case Status.

The assets of the estate at the time of the Trustee’s appointment included twenty-five parcels of real property. Upon his appointment, the Trustee immediately engaged Auction Markets, LLC DBA RealMarkets as Asset Manager and real estate agent for the marketing and sale of the property and obtained authority to operate the Debtor’s business. In addition, the Trustee engaged with the primary secured creditors in order to negotiate the use of cash collateral and agreed carve-outs from the sale of properties that would guarantee that the estate would benefit from sales even in circumstances where the liens exceeded the value of the properties. With the assistance of his professionals, the Trustee engaged on a comprehensive market strategy and process. As of July 5, 2024, the Trustee had sold and closed on several

properties owned by the Debtor as follows:

<u>Property</u>	<u>Sale Price</u>
445 Windover Ave, NW, Vienna, VA	\$865,000.00
1630 East Chocolate Avenue, Hershey, PA	\$265,000.00
71 Lucy Avenue, Hummelstown, PA	\$205,000.00
1203 Cottage Street, SW, Vienna, VA	\$900,000.00
449 Lawyers Rd, NW, Vienna, VA	\$850,000.00
7939 Riders Lane, Hummelstown, PA	\$340,000.00

In addition, there are several sales approved by the Court but not yet closed, and sales awaiting Court approval. Several additional properties are currently being marketed for sale. As such, the preparation and filing of a final report is pre-mature. As of July 5, 2024, the Trustee was holding \$595,416.44 in cash.

The Trustee anticipates completing the marketing, sale and other disposition of the properties. Once this process is concluded or nearly concluded, the Trustee intends to shift his focus to other possible assets including litigation claims. As of this Application, no unpaid Chapter 7 Administrative claims are unpaid other than those set forth in this Application and those being filed contemporaneously herewith. At this time, the Trustee does not have an estimate as to when this case will close. It is not feasible to make an interim distribution to creditors at this time due to, among other things, pending Chapter 11 administrative expense claims, the constructive trust claim of Bala Jain LLC and the possibility that certain claims will be amended upon the sale of properties.

II. Background.

1. On April 6, 2023, Eagle Properties and Investments LLC (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”).

2. On March 21, 2024, the Order of Conversion of Chapter 11 to Chapter 7 was filed

(Docket No. 359). H. Jason Gold was appointed Chapter 7 Trustee.

3. On April 2, 2024 this Court entered an Order Authorizing Employment of Nelson Mullins Riley & Scarborough as Counsel to the Chapter 7 Trustee (Docket No. 373).

4. On May 21, 2024, this Court entered an Order Approving Sale of 445 Windover Ave, NW, Vienna, VA Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. § 363(f) (Doc. No. 469).

5. On May 23, 2024, this Court entered an Order Approving Sale of 71 Lucy Avenue, Hummelstown, Pennsylvania (Doc. No. 470).

6. On May 23, 2024, this Court entered an Order Approving Sale of 449 Lawyers Road, NW, Vienna, VA Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. § 363(f) (Doc. No. 473).

7. On May 23, 2024, this Court entered an Order Approving Sale of 1630 E. Chocolate Ave, Hershey, PA Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. § 363(f) (Doc. No. 474).

8. On May 28, 2024, this Court entered an Order Approving Sale of 1203 Cottage Street, SW, Vienna, VA Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. § 363(f) (Doc. No. 482).

9. On June 24, 2024, this Court entered an Order Approving Sale of 7939 Rider Lane, Hummelstown, PA Free and Clear of Lis Pendens Pursuant to 11 U.S.C. § 363(f) (Doc. No. 510).

10. By this Application, the Trustee requests entry of an order approving interim compensation, under 11 U.S.C. §§ 326, 330 and 331, in the amount of \$117,845.01.

III. Calculation of Compensation.

During the Interim Period, the Trustee disbursed an aggregate of \$3,032,047.55 in cash pursuant to the sale of the Properties. In addition, the Trustee anticipates disbursing an additional \$121,119.26 in approved fees for Nelson Mullins Riley & Scarborough LLP (“Nelson Mullins”) and Stephen Karbelk as the team leader of Auctionmarkets, LLC DBA RealMarkets (“Asset Manager”) shortly following consideration of this Application. Under section 326(a) of the Bankruptcy Code, the Trustee’s compensation is calculated as a commission.¹ The Commission has been calculated at the statutory rate based upon actual and anticipated disbursements of \$3,153,166.81 as follows:

25% of first \$5,000 =	\$ 1,250.00
10% of next \$45,000 =	\$ 4,500.00
5% of next \$950,000 =	\$47,500.00
3% of \$2,032,047.55=	\$60,961.43
3% of \$121,119.26=	\$ 3,633.58
Total =	\$117,845.01

The Trustee’s disbursements at closing are identified in the Form 2 which has been provided to the Office of the United States Trustee.

WHEREFORE, the Trustee requests that this Court enter an Order: (i) allowing interim compensation in the total amount of \$117,845.01 from the estate as calculated above and (ii) awarding any further relief that the Court deems just and proper.

Respectfully submitted,

H. JASON GOLD, TRUSTEE

By Counsel

¹ Section 326(a) provides: “In a case under chapter 7 or 11, the court may allow reasonable compensation under section 330 of this title of the trustee for the trustee’s services, payable after the trustee renders such services, not to exceed 25 percent on the first \$5,000 or less, 10 percent on any amount in excess of \$5,000 but not in excess of \$50,000, 5 percent on any amount in excess of \$50,000 but not in excess of \$1,000,000, and reasonable compensation not to exceed 3 percent of such moneys in excess of \$1,000,000, upon all moneys disbursed or turned over in the case by the trustee to parties in interest, excluding the debtor, but including holders of secured claims.”² Pursuant to Local Rule 5005-1(C)(8), the attached service list is not being served on each of the parties, but is attached to the original Certificate of Service filed with the Court.

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By: /s/ Dylan G. Trache
Dylan G. Trache, Va. Bar No. 45939

Counsel to the Chapter 7 Trustee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of July, 2024, a copy of the foregoing Application was served via first class mail, postage prepaid, to the parties in interest on the attached service list² and to:

Office of the United States Trustee
1725 Duke Street, Suite 650
Alexandria, Virginia 22314

/s/ Dylan G. Trache
Dylan G. Trache

² Pursuant to Local Rule 5005-1(C)(8), the attached service list is not being served on each of the parties, but is attached to the original Certificate of Service filed with the Court.